



**U.S. Department of Housing and Urban Development**

Atlanta Region, Miami Field Office  
Brickell Plaza Federal Building  
909 SE First Avenue, Rm. 500  
Miami, FL 33131-3042

February 28, 2013

Honorable Matti H. Bower  
Mayor of Miami Beach  
Miami Beach City Hall  
1700 Convention Center Drive  
Miami Beach, FL 33139

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ECONOMIC DEVELOPMENT  
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Honorable Mayor Bower:

Subject: Annual Community Assessment  
Consolidated Annual Performance and Evaluation Report (CAPER)  
2011 Program Year - CDBG, CDBG-R, HOME, HPRP and NSP  
Programs – Miami Beach

The Housing and Community Development Act of 1974, as amended and the National Affordable Housing Act of 1990, require that a determination be made annually by HUD that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

In accordance with the Consolidated Planning Regulations of January 5, 1995, this Office makes a comprehensive performance review of your overall progress annually, as required by §24 CFR 91.525. The review consists of analyzing your consolidated planning process; reviewing management of funds; determining the progress made in carrying out your Consolidated Plan policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; and evaluating your accomplishments in meeting key Departmental objectives.

We congratulate you on your accomplishments during this past year on the achievement of Departmental Objectives.

## **SUMMARY OF PERFORMANCE**

### **Community Development Block Grant (CDBG)**

The County received \$1,572,412 in fiscal year 11' funds, and the Financial Summary Report indicates that 90% was expended on activities benefiting low or moderate-income persons. This performance exceeds Departmental standards.

*HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.*

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

The Financial Summary showed \$235,862 net obligations for Public Services or 15% of the grant. The Financial summary also indicated \$301,915 net for planning and administrative costs or 19.20% of the grant funds plus program income received during the program year. Our review of the activities indicates that they are eligible as provided for at 24CFR 570.201-6, and meet one of the three National Objectives established at 24CFR 570.208.

The City may want to consider expanding economic opportunities for its low- and moderate-income persons

We are pleased to report that the City is in compliance with Departmental progress standards in the expenditure of its CDBG Line-of-Credit (LOC) balances. The City is required to have no more than 1.5 years of funding available in its LOCC's at the end of the tenth month of its program year. The City's LOCC's balance as of August 2, 2012 was \$1,967,156 which represent 1.25 years of funding.

### **HOME**

The City received \$1,113,255 in fiscal year 2011 HOME funds. Our review determined that the City achieved its objectives of providing affordable housing by rehabilitating twenty-five (25) rental units for low income renters.

Total disbursements during the year were \$55,621, including \$-0- for administrative costs. Our evaluation of these accomplishments disclosed no concerns with respect to eligibility, income targeting, affordability, or match requirements.

As a reminder, please be aware that any HOME funds appropriated in FY 2002 will not be available for PJs to expend after September 30, 2009. HOME funds remaining in your FY 2002 grant after this date will be recaptured by the United States Treasury. Unexpended HOME funds in grants from 1992 through 2001 are not subject to these rules. However, beginning with the FY 2002 appropriation, each annual HOME grant is subject to this eight-year expenditure rule. So, for example, FY 2005 HOME funds will no longer be available to you after September 30, 2013. You may refer to HOME facts Vol 2 No 2 February 2009, for additional instructions of this requirement and the link below:

<http://www.hud.gov/offices/cpd/affordablehousing/library/homefacts/volumes/vol2no2.cfm>

<http://www.hud.gov/offices/cpd/affordablehousing/reports/expiringfunds/explanations.pdf>

In September 2004, CPD Notice 03-09 was sent to all grantees in reference to Local Performance Measurement Systems for CPD Formula Grant Programs. In this notice it strongly recommends the use of a performance measurement system in order to account for productivity and program impact. Productivity displays the quantity, quality, and time a grantee undertakes activities. Program impact reflects how activities yield desired outcomes within the community and the persons assisted. The Field Office reiterated the importance of determining whether the County is currently using a performance measurement system, developing a system, or has not yet developed a system.

## **Performance Measurement**

In September 2004, CPD Notice 03-09 was sent to all grantees in reference to Local Performance Measurement Systems for CPD Formula Grant Programs. In this notice it strongly recommends the use of a performance measurement system in order to account for productivity and program impact. Productivity displays the quantity, quality, and time a grantee undertakes activities. Program impact reflects how activities yield desired outcomes within the community and the persons assisted. The Field Office reiterated the importance of determining whether the City is currently using a performance measurement system, developing a system, or has not yet developed a system.

Beginning October 1, 2006, each Consolidated Annual Performance and Evaluation Report (CAPER) or Performance and Evaluation Report (PER) should include the status of the grantee's efforts toward implementing a performance measurement system as described in the Federal Register Notice dated March 7, 2006. All CAPER or PER reports should provide a description of how the jurisdiction's program provided new or improved availability/accessibility, affordability, sustainability of decent housing, a suitable living environment, and economic opportunity. The CAPER/PER must include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives.

A review of the IDIS CDBG Performance Measures Report (PR83) and the Housing Performance Report (PR85) disclosed that the City is inputting data for all of its activities.

### **Concerns**

There are some performance issues that require action for resolution as a result of our review of your Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2011:

#### **(1) HOME - Commitments/disbursements- expenditures- red flags. -**

As a reminder, the HOME Program regulation provides that HOME funds are available to participating jurisdictions (PJs) for commitment to affordable housing for a period of 24 months after the last day of the month in which the Department of Housing and Urban Development (HUD) notifies the PJ of HUD's execution of the HOME Investment Partnerships Grant Agreement. These provisions are implemented by regulation at 24 CFR 92.500(d). Our records indicate that the City had a commitment shortfall of \$576,805 and did not meet the October 31, 2012 deadline.

In addition, the HOME Program Performance "SNAPSHOT" is a quarterly cumulative performance report that evaluates the performance of participating jurisdictions by providing a context for accomplishments. The latest performance SNAPSHOT measures cumulative program progress through December 30, 2012. The SNAPSHOT report indicates that the City may have a problem with meeting several of the threshold requirements. All HOME Reports may be viewed at the following website:

<http://www.hud.gov/offices/cpd/affordablehousing/reports/index.cfm#dash>

A review of the City's HOME Open Activities report is also reflecting two open activities in final draws over 120 days. In addition, three activities are currently underway but have not had any draws in over 400 days.

## **(2) Open Findings – CDBG, HOME, ESG**

The City has several outstanding Open Findings related to prior CDBG, HOME, and ESG related monitoring visits. Some of these findings remain open due to open activities, subsidy layering, etc. This office will be following up with the City to ensure the City has taken corrective actions on those remaining open findings and/or provide TA to close out those open findings.

### **Fair Housing and Equal Opportunity (FHEO)**

The Office of Fair Housing and Equal Opportunity (FHEO) is required to conduct an analysis of each grantee's Consolidated Annual Performance Evaluation Report (CAPER) to ensure compliance with the civil rights requirements to affirmatively further fair housing as required in 24 C.F.R. 91.225(a)(1), 91.325(a)(1), and 91.425(a)(1)(I). Affirmatively furthering fair housing means that each grantee will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, taken appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions taken in this regard. Additionally, the *Fair Housing Planning Guide* is available on the Hudweb at:

<http://www.hud.gov/office/fheo/affirmative.cfm>

The *Fair Housing Planning Guide* contains valuable information, which may assist you in your revisions and future CAPER, and Annual Action Plan submissions.

The FHEO evaluation of your FY '2011 CAPER is currently under review, once the review is completed it will be communicated under a separate letter.

### **Office of Public and Indian Housing (OPIH)**

The Office of Public Housing (OPIH) was also required to conduct an analysis of the City's FY 2011 Consolidated Annual Performance Evaluation Report (CAPER). This request was intended for the accuracy of any data shown for the local PHAs, the City's housing inventory and the plan in general. The Office of Public and Indian Housing review revealed no concerns.

**The Housing and Economic Recovery Act of 2008  
And The American Recovery and Reinvestment Act of 2009 Programs\***

**Neighborhood Stabilization Program (NSP3)**

The City of Miami Beach received \$1,475,088.00 fiscal year 2011 and has expended \$102,693.37 or 7.0% of its NSP3 grant funds including any program income as of January 18, 2013, which produced 0 households that benefited low, moderate, and middle income persons in the areas of greatest need. This performance does not meet Departmental standards.

The City is required to expend at least 50% of allocated funds within two years of the date funds become available to the grantee for obligation, and 100% of such funds within three years of such date (Dodd-Frank Act).

The expenditure deadline dates are as follows:

- 50% by March 2013
- 100% by March 2014

The regulation requires that ... “no less than 25% of the funds appropriated or otherwise made available for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose income do not exceed 50% of area median income.” The 25% minimum requirement is \$368,772.00 of grant funds including any program income. Currently, the City has expended \$15,107.58 or 1.0% of its grant funds including any program income for Low Income Households (LH25).

Our records indicate that the City of Miami Beach has not received any program income. However, once received please ensure that program income is disbursed prior to any draw-down of grant funds and maintains documentation (i.e. spreadsheets, reports, receipts, etc.) to track program income.

The City is encouraged to continue reporting in the Disaster Recovery Grant Reporting (DRGR) system.

HUD strongly encourages grantees to use NSP funds not only to stabilize neighborhoods in the short-term, but to strategically incorporate modern, green building, and energy-efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods. At minimum, NSP3 grantees must meet rehabilitation standards requirements of green and energy-efficiency actions. Additional resources related to sustainable and energy-efficient construction are available on the NSP Resource Exchange Web site (<http://www.hud.gov/nspta>).

### **Community Development Block Grant – Recovery (CDBG-R)**

The City of Miami Beach received \$467,896.00 in fiscal year 2009, and has expended \$467,896.00 or 100% of its CDBG-R funds. We commend the City for meeting the 100% expenditure deadline date of its CDBG-R grant funds.

The City is encouraged to continue reporting in the Federal Reporting System until the grant is officially closed-out.

As a reminder, CPD Notice # 12-004 was issued on February 13, 2012 and provides closeout instructions for the CDBG-R program. The Notice can be accessed at the link below; once open, click on the link beside 2012-04:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/cpd](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd)

HUD expects that all CDBG-R grants should be ready for grant closeout no later than six months after the expenditure deadline, (9/30/2012), or March 31, 2013. **Grantees will need to submit their final report to FederalReporting.gov before they can proceed to closeout.** A CDBG-R grant cannot be closed out until all activities comply with national objective requirements. Therefore, grantees should ensure that all activities will have met national objective criteria requirements by March 31, 2013 and these should be entered into IDIS for CDBG-R activities. If grantees currently know that they have activities that may not meet a national objective by this deadline, they should consult their field office for advice. For example, if a housing project was rehabilitated in a blighted area and will not be occupied by March 31, 2013, the national objective may initially be input into IDIS with the national objective of the elimination of slum and blight and once occupied, changed to low-mod housing.

### **Homelessness Prevention & Rapid Re-housing Program (HPRP)**

The City of Miami Beach received \$715,418.00 in fiscal year 2009, and has expended \$714,786.47 or 99.9% of its HPRP funds.

A review of the City's reporting in IDIS, FedReporting, and Esnaps disclosed the following:

Reporting Anomalies: The City spent \$714, 786.50 per IDIS and reported \$711,880 expended in FR.gov and in in e-snaps (Q13) reported \$677,320 as spent in Year 3 Annual Performance Report.

Please provide clarification and/or make corrections so that we can process close out of the HPRP program.

As a reminder, CPD Notice # 12-013 was issued on July 3, 2012 and provides closeout instructions for the HPRP program. The Notice can be accessed at the link below:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/cpd](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd)

Please note that HUD will only close out grants **after** the 3-year deadline has passed. For HUD to close out a grant, the following actions **must have occurred**:

1. All eligible activities must be completed and all data entered in HMIS
2. All required reporting completed in FederalReporting.gov and *e-snaps*
3. Grantee has made final draw from IDIS, paid all allowable costs, and marked project as complete in IDIS
4. All special conditions met
5. All monitoring completed and Findings closed
6. Audit Findings resolved

## **OVERALL EVALUATION AND CONCLUSION**

Our review of the annual performance report indicates that the activities carried out by the City during the program year were generally eligible or otherwise consistent with applicable CDBG, CDBG-R, HOME, HPRP, and NSP program regulations.

The City's actions in the program year were consistent with the actions proposed to address identified priority needs. Results in achieving goals that were envisioned in the Consolidated Plan were satisfactory.

The City's approach to community development activities is comprehensive and creative, and reflects exceptional internal coordination and cooperation with its citizens.

To facilitate and expedite citizen access to our performance assessment, we request that you apprise the general public and interested citizen's organizations and non-profit entities, of its availability. If, for any reason, the City chooses not to do so, please be advised that our Office is obligated to make this letter available to the public. We appreciate your cooperation in this matter.

It is also recommended that the City retain this assessment letter and make it available to its Independent Public Accountant (IPA).

In conclusion, as a result of our analysis we have determined that your overall progress is satisfactory. This determination is based upon the information available to this office, and does not reflect a comprehensive evaluation of specific activities.

Attached please find important information that would assist you in administering your CPD programs.

If you have any questions regarding this correspondence, or any other program matter, please do not hesitate to contact Nora E. Casal, CPD Representative at (305) 520-5009, or via e:mail at: [nora.e.casal@hud.gov](mailto:nora.e.casal@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Ann D. Chavis", with a long horizontal flourish extending to the right.

Ann D. Chavis, Director  
Community Planning and Development

✓ cc: Anna Parekh, Director  
Lisa Bustamante, Program Manager, US HUD

## ‘GREEN HOUSING CONSTRUCTION’

HUD encourages thoughtful, achievable consideration and implementation of energy efficient and environmentally-friendly elements in the NSP3 program. NSP Notice provides information and guidance on the following Green elements:

- Transit accessibility
- Green building standards
- Reuse of cleared sites
- Deconstruction
- Renewable energy
- Water conservation
- Energy efficient materials
- Healthy homes

HUD provides that a grantee may “require NSP homes to achieve an established environmental or energy efficiency standard such as Green Communities or equivalent.” The following resources are designed to assist grantees in the construction and rehabilitation of green affordable housing. These are provided on the *NSP Resource Exchange* under “Toolkits,” at:

<http://hudnsphelp.info/index.cfm?do=viewToolkitsHome>

- Green Housing Development Guide:  
<http://hudnsphelp.info/media/resources/GreenHousingDevelopmentGuide.pdf>
  - Sample Housing Rehabilitation Checklist:  
<http://hudnsphelp.info/media/resources/HousingRehabilitationChecklist.doc>
  - Sample Single-Family Housing Rehabilitation Specifications, including Green Specs  
<http://hudnsphelp.info/media/resources/SampleSingleFamilyRehabSpecificationsIncludingGreenSpecs.doc>
  - Sample Single-Family Housing Rehabilitation Standard Template:  
<http://hudnsphelp.info/media/resources/SingleFamilyHousingRehabilitationStandard.doc>
- More tools will be added to the resource page as developed.

Additionally, grantees interested in implementing Enterprise Green Communities Criteria can contact Enterprise for further information and assistance via:

[www.greencommunitiesonline.org/](http://www.greencommunitiesonline.org/)

#### **“CONSOLIDATED PLAN MANAGEMENT PROCESS - CPMP”**

*The Office of Management and Budget asked that HUD work with local stakeholders to streamline the Consolidated Plan, making it more results-oriented and useful to communities in assessing their own progress toward addressing the problems of low-income areas. Grantees are encouraged to use the tool formats in developing Consolidated Plans, Action Plans, and annual performance reports.*

#### **“MINORITY BUSINESS ENTERPRISES - MBE”**

*Under executive orders 11625, 12432 and 12138 grantees must subscribe procedures acceptable to HUD for a minority outreach program to ensure that they are making concerted efforts to attract minority groups to the procurement process.*

*Furthermore, the Office of Small and Disadvantaged Business Utilization (OSDBU) is required to collect and consolidate data on Minority Business Enterprise (MBE) on an annual basis. You are encouraged to utilize Woman's and Minority Business Enterprise participation in all HUD programs. Grantees should submit their information, via email, on HUD form 2516 (Grantee Contract and Subcontract Activity Report). Please note that you may access the forms at: <http://www.hud.gov/offices/osdbu/forms/hud2516.xls>.*

## 2013 TRAINING SURVEY

Please help us to identify the areas of training that could benefit your jurisdiction in operating and managing your CPD program(s). Complete the survey below no later than March 30, 2013, and either email or fax it to your CPD Representative or to John Quade, CPD Representative at [john.f.quade@hud.gov](mailto:john.f.quade@hud.gov) or (305) 536-4781.

Please indicate your interest in receiving technical assistance/training below by ranking the importance from the highest (5) to lowest (1).

***5 – Very Important    4 – Important    3 – Average    2 – Slightly Important    1 – Not Important***

- ☐ Development Finance
- ☐ Relocation and Real Property
- ☐ CHDO Assistance
- ☐ Construction and Rehabilitation Management
- ☐ Economic Development/Section 108
- ☐ Effective Agreements
- ☐ Environmental Review and Compliance
- ☐ Financial Management
- ☐ Efficiency/Green Building
- ☐ Homelessness Issues
- ☐ IDIS
- ☐ Income Determinations
- ☐ Lead-Based Paint Compliance
- ☐ Neighborhood Stabilization Program –NSP (specify): \_\_\_\_\_
- ☐ Procurement and Contracting
- ☐ Subrecipient Management
- ☐ Using Outcomes to Measure Performance
- ☐ Recordkeeping and Reporting
- ☐ Debarment, Suspension, and Termination
- ☐ Audits
- ☐ Program Monitoring
- ☐ Federal Labor Standards
- ☐ DRGR
- ☐ HMIS
- ☐ Emergency Solutions Grant
- ☐ Basic CDBG Program
- ☐ Advanced CDBG Program
- ☐ Meeting CDBG Timeliness Test Requirements
- ☐ Timesheet Records Compliance
- ☐ Activity Delivery vs. Program Administrative Costs
- ☐ Property Management and Disposition
- ☐ Program Income

- ☐ Basic HOME Investment Partnerships Program
- ☐ Advanced HOME Investment Partnerships Program
- ☐ HOME Match Report/Log
- ☐ Subsidy Layering Review
- ☐ Meeting Commitment/Disbursement/CHDO Set-Aside Deadlines
- ☐ Resale/Recapture Provisions
- ☐ Maximum Purchase Price/After-Rehab Value Compliance
- ☐ Rental Project Compliance
- ☐ Rent Determinations
- ☐ Housing Quality Inspections
- ☐ Affirmative Marketing
- ☐ Accessing HOME and Low-Income Housing Tax Credits (LIHTC) Projects
- ☐ HOPWA ( i.e.: reporting, monitoring oversight, financial mgmt.): \_\_\_\_\_
- ☐ Combining Multiple Community Planning & Development Programs
- ☐ Fair Housing Compliance
- ☐ Civil Rights Compliance Basic CDBG Program
- ☐ Section 504 Compliance
- ☐ Equal Opportunity Compliance
- ☐ Section 3 Compliance
- ☐ Conflict of Interest Determinations
- ☐ eCon Planning Suite
- ☐ Consolidated Plan/Action Plan Preparation
- ☐ Other (Please specify): \_\_\_\_\_

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